

GENERAL SERVICES ADMINISTRATION

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October 28, 2009

Leslie Heller, Field Representative
County Facilities Construction Division
Corrections Standards Authority
600 Bercut Drive
Sacramento, CA 95811

Re: Site Assurance

Dear Ms. Heller,

This letter provides the County's response to your request in your letter dated October 20, 2009 for further information regarding the CSA Board's consideration of whether to extend our deadline for providing site assurance. Hopefully, this information will provide the background and justification for a further time extension.

First, I would like to assure you that Amador County would have met its obligations to provide site assurance prior to our extended deadline. However, an unusual and unique opportunity for Amador County became known September 14, 2009; that being a large development project encompassing 201.37 acres had faltered due to the local economy and was being auctioned to the highest bidder on September 15, 2009, in the amount of \$1,484,943.00. At that time the County was unable to participate in making an offer due to its legal obligation to notice the public and hold a public hearing in accordance with Government Code Section 6063. However, no bids were taken and the property was acquired by UMPQUA Bank (Bank) by default. The County decided to open negotiations with the Bank and on Monday October 19, 2009, our offer was accepted in the amount of \$1,810,000.00. As you may recall, the previous jail property the County negotiated encompassed 8.2 acres in the amount of \$2,000,000.00. As such, the County is able to acquire a significantly larger parcel at a lower cost, which not only provides greater opportunity for future necessary jail expansion, but also provides opportunity for other County uses.

In your letter you also asked four specific questions. Below are our responses to those issues raised in your letter. In addition, I am more than willing to provide any additional information you may need.

- What has the county done to date to determine the newest piece of property is potentially suitable as a jail construction site?

Response:

- The County is extremely familiar with this property as the previously proposed development is located in the unincorporated area of the County and our Planning Department was heavily involved in the review and processing of the previously proposed development on this site.
- We have also performed the majority of real estate due diligence and obtained preliminary reports from both First American Title and Placer Title Companies finding no significant obstacles to proceed with jail construction.

- CEQA was completed for the previous development project and this previous CEQA information should streamline the CEQA review for this project.
- What are the timeline and the major milestones for the process of procuring the newest jail site?

Response:

- Currently the County is advertising its intention to purchase the property in accordance with Government Code Section 6063, and will hold a public hearing to consummate the purchase in approximately three weeks; there are no anticipated delays.
 - Part of our negotiations with the Bank was the ability to close escrow by the end of the year; both parties have agreed that this is achievable, unless any unanticipated delays arise. Currently, there is a federal tax lien on this property, which provides the IRS an opportunity to redeem the property within 120 days after the property was offered to be sold at action. It is not anticipated that the IRS will take this action. As soon as the purchase agreement is executed, which is anticipated by the end of November, the Bank will request a waiver from the IRS to expedite the process. The Bank has indicated that, based on its experience, the IRS should provide a waiver shortly thereafter; however there can be no guarantee. In any event, this issue will be resolved no later than 120 days after September 15, 2009, however, to allow time for our Board to provide a resolution we would request an extension until January 29, 2010.
- Is the original jail site still available to the county for purchase, and is it still a viable jail site? Is the county still willing to follow through with purchase of the original site (particularly if the newest site is not an option for any reason)?

Response:

- The original jail site property is still available and viable, however due to this most recent opportunity the County's preference is to move forward with this new opportunity.
- Lastly, what issues (including water) leading to the lengthy acquisition process with the original site may also be a factor in the attempted purchase of the newest site.

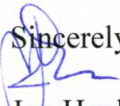
Response:

- The negotiations regarding water and wastewater are applicable to this property as the Amador Water Agency serves this area as well. This property could also be served by the City of Jackson since it is located within the service boundaries of both entities which allows a greater opportunity for the County for delivery and disposal of water and wastewater.

I hope the above information adds some clarity as to why the County is requesting additional time to provide site assurance. It is our hope your Board understands this is an unusual opportunity which could not have been anticipated and understands the tremendous benefit it provides.

Thank you for your consideration.

Sincerely,


Jon Hopkins,
General Services Director

Cc: Board of Supervisors
County Counsel

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